own volition, are, however, being permitted, under the special order of Government, to close their accounts even before their quitting service where the subscribers desire to have the amount at their credit to meet unforeseen liabilities incurred by them. In certain cases, they are also permitted to take non-repayable advances from their deposits in the fund for some purpose specified by them in writing.

2. The validity of the order with reference to the provisions of the Provident Fund Act of 1925 has been examined by the Accountant-General who has held that the grant of a non-repayable advance amounts to an outright repayment of a part of the "Compulsory deposit". Under Section 2 (*a*) of the Provident Fund Act, a "Compulsory deposit" is one, the whole of which is repayable on the happening of some specified contingency under the rules of the Provident Fund. A partial repayment of a deposit in the Provident Fund thus deprives the deposits of the character of the "Compulsory deposits" as defined by Section 2 of the Provident Fund Act and therefore the immunity provided in Section 3 (1) is lost. That is, the deposit will become liable to attachment under any decree or order of any Civil Revenue or Criminal Court in respect of any debt or liability incurred by the subscriber or the depositor.

3. Accepting the views of the Accountant-General on the subject, it is decided to discontinue the system of permitting the premature closing of accounts by the subscribers to the State Provident Fund. Opportunity has also been taken to discontinue the practice of allowing the subscribers to take non-repayable advances from their deposits in the State Provident Fund for some purpose specified by them in writing, as such a practice is not supported by the existing provisions of the State Provident Fund Rules.

M. SHAMANNA,
Secretary to Government,
Finance Department.

DEVELOPMENT SECRETARIAT

Reviews the Administration Report on the Working of Textile Section of the Department of Industries and Commerce for the year 1951-52.

READ.—

Letter No. Tex E. 17—52-53, dated 8—14th November 1952, from the Director of Industries and Commerce, forwarding a report on the working of the Textile Section of the Department of Industries and Commerce in Mysore, Bangalore, for the year 1951-52.

ORDER No. C. & D. 4511-13—COM. 129-52-2, DATED BANGALORE, THE 17TH JANUARY 1953.

Recorded.

The distribution of yarn to the Handloom Weavers was taken over by the Mysore Provincial Cotton Handloom Weavers' Co-operative Society during the year.

The Handloom Industry faced a crisis owing to a great slump in the market for handloom fabrics. As a result of high prices of cotton and other articles, the output of yarn and khadi also fell below the level of the preceding year.

The working of the Department, however, continued to be satisfactory on the whole.

R. J. REGO,
Secretary to Government,
Development Department.